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SUBJECT: TOUR D'HORIZON WITH URUGUAYAN FM FERNANDEZ

REF: A) MVD 488 B) MVD 479

Classified By: AMBASSADOR FRANK BAXTER, FOR REASONS 1.4 (B) & (D)

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Summary
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1 (SBU) In a private dinner meeting on August 28, six months after his move from the Presidency to the Foreign Ministry, Gonzalo Fernandez discussed the goals he hopes to achieve in the next year and a half. Although President Vazquez continues to look to him as a key advisor, Fernandez is increasingly focused on foreign policy, delegating other government priorities to the appropriate Cabinet Ministers. He provided an overview of Uruguay's foreign and domestic policy challenges, including a preview of issues he plans to raise with USG officials during his upcoming visit to New York for the UNGA (Sept 20-30) and Washington (Oct 1-3). End Summary.

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Peacekeeping
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12. (C) On August 29, Uruguay played host to a quarterly meeting of the vice ministers of defense and state of the nine Latin American countries involved in peacekeeping in Haiti -- those are Argentina; Bolivia; Brazil; Chile; Ecuador; Guatemala; Paraguay; Peru; and Uruguay. Colombia also participated, as an observer. The vice ministers agreed to request an extension of the current MINUSTAH mandate, framing it as a way to assist Haiti's social and economic recovery. Comment: The Uruguayan government continues to grapple with its ambivalence over Uruguayan military involvement in peacekeeping, particularly in Haiti. While the military itself is supportive because of the financial advantages for individual soldiers and the military as a whole, leftist political leaders have framed PKO work as an unwelcome militarization. The GOU has, for some time now, sought U.S. and Canadian (and at our suggestion, OAS), financial support for a vaguely defined democracy assistance project. End Comment.

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Regional Politics
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13. (C) On the status of the OAS efforts to calm tensions between Colombia/Ecuador, Fernandez said that all appears to be quiet under the surface, pointing to the fact that Ecuador was the second country to agree to the involvement of Colombia in the peacekeeping meeting. Regarding Venezuela,

Fernandez commented that Venezuelan Foreign Minister Maduro brought 40 people to his one day meeting in Montevideo on August 17, an indication that the GOV is finally planning to live up to its promises. Despite reservations about Chavez, the GOU felt it had to be pragmatic and work with him.

14. (C) Uruguayans were enraged by Ecuador,s nomination of Nestor Kirchner to be the Secretary General of Unasur, seeing it as a betrayal, despite Uruguay,s nuanced stance vis-a-vis Ecuador in its dispute with Colombia. Fernandez is quietly lobbying Peru and Colombia to oppose the involvement of an ex-President in this role. He said that Uruguay can,t object alone to Kirchner's nomination, because &the revenge would be too dangerous.8 Fernandez hopes to balance the weight of Argentina and Brazil by expanding the membership of Unasur.

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Georgia
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15. (C) Ambassador laid out the USG position on Georgia and urged Fernandez to condemn the Russian recognition of Abkhazia and South Ossetia. Fernandez noted that he had also received heavy pressure from Germany on this issue, but, as with Kosovo, Fernandez expects to keep Uruguay out of the fray by not taking a stand. The GOU sees little to gain from going out on a limb on an issue that divides the Security Council (Ref A).

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National Politics
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16. (C) Fernandez is concerned that Senator Jose Mujica (former Tupamaro guerrilla and Minister of Agriculture under Vazquez until February 2008) will ignore President Vazquez,s preferences, run for the Frente Amplio party,s presidential nomination, and win handily against Minister of Economy Astori, who is blamed by the middle class for the introduction of the new income tax about a year ago. Although there have been some calls for President Vazquez to run again (it would require a change of the Constitution) or for other candidates to emerge, Fernandez considers this unlikely. Fernandez predicts that the opposition nationalist party nomination will likely go to Senator Jorge Larranaga (who Fernandez views as too inexperienced for the job); former President Luis Alberto Lacalle is gaining in the polls but ultimately will not overcome dissatisfaction in some quarters with his previous tenure as President. In a contest between Larranaga and Mujica, many believe Larranaga would pool together enough votes from the opposition parties and Frente Amplio moderates to win.

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U.S.-Uruguay Bilateral Relations
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17. (C) Trade: Fernandez would like to sign annexes to our Trade & Investment framework agreement dealing with trade and environment cooperation and trade facilitation during his coming trip to the U.S. (probably in Washington at the end of September). Fernandez also would like to sign a biofuels cooperation MOU with State during this visit. Finally, in the trade area, Fernandez said that Brazil is making another push for Doha; if this fails, Brazil will advocate for a Mercosur-European Union trade agreement.

18. (U) Science and Technology: Fernandez is looking forward to seeing U/S for Global Affairs Paula Dobriansky in New York to discuss areas for cooperation on science and technology. The ambassador explained that our key areas of focus are helping establish a National Cancer Institute in Uruguay and increased information exchange.

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Pending Extradition Request

¶9. (C) Fernandez noted that the GOU is taking steps to prepare for a possible State Department decision to extradite former banker Juan Peirano-Basso to Uruguay in mid-September.

Fernandez also repeated the GOU,s request for a humanitarian pardon for former honorary consul Richard Stanham (currently in jail in Texas). Stanham continues to have health problems, Fernandez said. Ambassador explained that the pardon request had been conveyed to the appropriate office in the Department of Justice, and is being considered.

Bio Note

¶10. (SBU) The Foreign Minister,s wife Cecilia is an active criminal defense attorney (primarily liability law), just as the Minister was prior to joining the government. Her other interests are architecture, art, and music, but she says her work dominates her time. She recently underwent treatment for breast cancer, and has been cancer free for a year.

Baxter